

HOW MUCH CAN YOU PAY FOR LAND RENT?

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CROPLAND CASH RENT PER ACRE OHIO vs. DISTRICT 2

YEAR	OHIO	DISTRICT 2
1975	40	42
1976	51	42
1977	60	53
1978	68	68
1979	77	76
1980	82	80
1981	88	80
1982	88	84
1983	89	81
1984	83	85
1985 (est.)	75	77

FARMLAND - VALUES, RENT, RATIOS OHIO

YEAR	LAND+BLDG VALUE/ACRE	CROPLAND	
		CASH RENT	RATIO

1975	706	40.40	5.5
1976	846	50.80	5.2
1977	1099	59.80	4.8
1978	1224	68.00	4.6
1979	1483	76.80	4.2
1980	1678	81.80	4.1
1981	1727	87.70	4.3
1982	1474	88.40	4.9
1983	1297	89.10	5.8
1984	1245	83.06	5.6
1985 (est.)	1195	75.00	5.2

RULE OF THUMB TO ESTIMATE CASH RENT

**MAXIMUM CASH RENT EQUALS
EXPECTED (YIELD x PRICE) x (25 TO 30%)**

25% ON POORER LAND 80-100 BU. CORN

30% ON BETTER LAND 140-160 BU. CORN

EXAMPLE RENT CALCULATION

100 ACRES GROUND: 50 CORN, 40 SOYBEANS, 10 WHEAT

EXPECTED PRICES: 2.50 CORN, 5.80 SOYBEANS, 3.25 WHEAT

EXPECTED YIELDS: 120 CORN, 38 SOYBEANS, 45 WHEAT

	PER ACRE	TOTAL
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CORN	120 BU. \times 2.50 \times .275 = \$82.50	\times 50 ACRES = \$4,125.00
SOYBEANS	38 BU. \times 5.80 \times .275 = \$60.61	\times 40 ACRES = \$2,424.40
WHEAT	45 BU. \times 3.25 \times .275 = \$40.22	\times 10 ACRES = \$ 402.20

		\$6,951.60

AVERAGE CASH RENT PER ACRE = \$6951.60 100 = \$69.52

ALTERNATIVE RENTAL ARRANGEMENTS
RETURN TO OPERATOR
CORN--OHIO--1985
(120 BU. @ \$2.50)

	CASH RENT		50/50	1/3 - 2/3
	@\$70	@\$90		
CASH RECEIPTS	\$300	\$300	\$150	\$200
CASH COSTS	237	257	104	167
OPERATOR RETURN	63	43	46	33

WHAT'S LEFT FOR RENT?

OHIO - 1985

	CORN (120 BU @ 2.50)	SOYBEANS (38 BU @ 5.80)
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CASH RECEIPTS	\$300	\$220
CASH COSTS	167	108

AVAILABLE FOR RENT IF
OPERATOR RECEIVES
RETURN OF

0	133	92
LABOR ONLY	115	78
LABOR/MGT. ONLY	100	67
LABOR/MGT./MACH.	50	17
